

# RISK MANAGEMENT POLICY

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## 1 PURPOSE

BCI Minerals Limited's and its subsidiaries (the "Company") manages its activities within budgets and operational and strategic plans. The Company acknowledges that there is risk associated with all business activity and the Board work with senior management to safeguard assets and to ensure that business risks are identified and appropriately managed.

The Company through the Board delegates day-to-day management of risk to the Managing Director who, with the assistance of the senior management, has responsibility for:

- (a) Risk review process – the process of identifying, assessing, treating and monitoring risks and reporting to the Board on risk management;
- (b) Internal controls – ensuring that there are adequate internal controls in place to preclude errors or irregularities; and
- (c) Commitments, expenditure and investments – ensuring there are defined guidelines for expenditure and commitments.

## 2 SCOPE

All Company offices, operations and sites.

## 3 DEFINITIONS

Word	Definition
BCI Employees	Employees, officers, directors and contractors of the Company.
Company	BCI Minerals Limited and its subsidiaries.

## 4 RESPONSIBILITY

All employees, officers, directors and contractors of the Company ("BCI Employees") must be aware of the existence of this policy and comply with its terms.

## 5 CONTENT

### 5.1 Objective of risk review process

The Company seeks to drive an effective risk management culture by:

- (a) establishing a process for regular review of business activities to objectively assess and identify risks in the conduct of the business, recording risks on a risk register and where appropriate, undertake risk mitigation actions to reduce residual risk;
- (b) regular review of risk registers, which are regularly reported to the Audit and Risk Committee;
- (c) the establishment of a crisis management system which suits the size of its business; and
- (d) encouraging all BCI Employees to participate and provide feedback in all matters relating to risk management across its business.

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## 5.2 Who is responsible for risk management

The following sets out the risk governance structure of the Company:

<b>Board</b>	Provides policy, oversight and review of risk management
<b>Audit and Risk Committee</b>	Oversees regular review of risk management activities
<b>Managing Director</b>	Drives culture of risk management
<b>Chief Risk Officer</b>	Continuously improving risk management policy, strategy and supporting framework
<b>Senior Management</b>	Ensure staff in their business units comply with the risk management policy and foster a culture where risks can be identified and escalated
<b>BCI Employees</b>	Comply with risk management policies and procedures

## 5.3 Categories of Risk

Risk categories may include strategic, financial, environmental, safety, people and reputation.

They include (but not limited to) the following:

- (a) workplace health and safety risks;
- (b) fraud and corruption or unauthorised use of resources;
- (c) property loss and damage;
- (d) computer and cyber security;
- (e) legal liability;
- (f) compliance;
- (g) reputation and image;
- (h) failure of internal controls;
- (i) revocation or failure to obtain key approvals;
- (j) native title and heritage claims;
- (k) tenure;
- (l) land access;
- (m) contractors;
- (n) loss of key staff and intellectual property;
- (o) commodity and fuel price fluctuations;

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- (p) failure or disruption of a major income source or investment.

### 5.4 Risk Management Process

The Company will implement the following process for risk management:

- (a) quarterly risk identification exercise undertaken by management facilitated by the Chief Risk Officer, which involves assessment of the consequence and likelihood of risk, the development and/or review of individual risk mitigation plans for the risks identified which exceed the Company's defined acceptable risks;
- (b) document all risks with a potentially high impact, as assessed on the basis of their likely occurrence or impact, on a risk register which is reviewed by senior management on a monthly basis;
- (c) wherever practicable the inclusion of a risk management assessment for all business activities;
- (d) bi-annual review of the risk management activities by the Audit and Risk Committee; and
- (e) ensure a consistency in approach of responses to the same risk by different functions within the Company.

Risk management is factored into business planning and project management/execution. The Company will establish and maintain a crisis management system based on the activities/operations, size of its business and future or anticipated activities of the business.

### 5.5 Internal Control

The Board has delegated the responsibility to monitor and review the Company's internal controls to the Audit and Risk Committee who will examine the adequacy of the nature, extent and effectiveness of the internal control processes of the Company.

The Board will approve an annual budget for the Company. Monthly actual results are reported against budget. Revised forecasts are prepared regularly.

### 5.6 Commitments, expenditure and investments

The Board has defined guidelines for the Company in respect of commitments, expenditure and investments. These include levels of authority, appraisal procedures and due diligence requirements on potential acquisitions or divestments.

## 6 BREACH OF POLICY

Breach of this policy may lead to disciplinary action being taken against the employee, including dismissal in serious cases.

## 7 REFERENCES

The following documents should be read in conjunction with this policy:

- Audit and Risk Committee Charter

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- AS/NZS ISO 31000:2009 – Risk management - Principles and guidelines (20 November 2009)

## 8 DOCUMENT CONTROL

Version	Date	Description	Author	Approver
0	26/04/2017	Risk Management Policy	M. Klvac	Board